

Transportation and Logistics Office Policy  
and Procedures Memorandum **99-01**

**Transportation Discrepancy Reporting System/Discrepancy Resolution Guidance**

**1. References:**

a. DoD Regulation 4500.9R, Defense Transportation Regulation (DTR), Part II, Chapters 209 - 210.

b. DLSC Customer Assistance Handbook, 13<sup>th</sup> edition, 1998

c. DLA Instruction 4105.3, DLA Government-wide Commercial Purchase Card Program (I.M.P.A.C.), dated 16 Jun 1999, or reissues thereto

**2. Background and Introduction:** All DoD personnel are responsible for protecting and maintaining government resources. The Transportation Discrepancy Report (TDR) Program is a responsible program to report, correct and collect funds for DoD materiel which was either lost or damaged during transport, or was temporarily stored in the commercial carrier's terminal.

The Military Traffic Management Command, Freight Services Division, Loss & Damage Branch, Attn: MTOP-JFD, is responsible for policy and management of the DOD Worldwide Cargo Loss and Damage Reporting and Analysis System. Finance center/claims offices are responsible to collect funds from carriers and return those funds to the appropriate account.

When materiel is damaged or lost during shipment, customers are unable to make necessary commodity repairs to items that are critical to national defense. It is our responsibility to protect DoD resources and take the appropriate action(s) to ensure the DoD recovers any amount due, by law, from the commercial carrier. In order to recover losses, comply with laws, rules, and regulations concerning freight loss and damage claims.

**3. Responsibilities:** A transportation officer (TO)/traffic manager is responsible for the effectiveness of the TDR program and have a thorough understanding of how the TDR program functions. He should establish internal controls to ensure compliance with written TDR directives. The key to shipment recovery is a thorough knowledge of the discrepancy program by receiving transportation personnel involved.

**4. Reporting Criteria:** The minimum valuation to submit a TDR, with supporting loss and damage documentation, is \$100. Classified/protected materiel and shipments moving under *released valuation* must be reported to the finance center/claims office regardless of value.

Other "non-claim" uses of the TDR are for:

- carrier performance/transit time
- failure to produce a REPSHIP
- hazardous material shipment violations
- improper vehicle/railcar/vessel loading, blocking, bracing or placarding
- missing label, incorrect address or broken seals
- failure to provide a Transportation Protective Service
- "released valuation-rated" materiel

**5. TDR Submissions to Finance Center/Claims Offices:** A freight loss/damage claim is a written, legal demand on a carrier for payment of losses that occur during shipping. A claim is based on a breach of the bill of lading contract. The bill of lading requires a commercial carrier to deliver goods to the consignee in the same quantity/quality tendered to the carrier by the shipper.

How the TDR submission process works: The finance center/claims office is responsible for computing the carrier liability, submitting and collecting carrier funds due to the government for shipment loss/damage. The finance center/claims office then directs the monies to the fund or appropriation from which the same or similar materiel will be purchased.

#### TIME FRAMES FOR SUBMITTING CLAIMS

TDR (SF 361) DOCUMENT	CLASSIFIED/PROTECTED	UNCLASS/UNPROTECTED
Advisory or RFI	Immediately, via telephone	Within 7 calendar days of discovery
Follow-up Notification	Within 24 hours, via message	Not required
Response - Advisory/RFI	Within 10 calendar days	Within 40 calendar days of discovery
Tracer Message, if Required	Send a tracer message the 11 <sup>th</sup> calendar day after discovery of the loss	Send message within 51 calendar days
Cancellation Message	Within 30 calendar days	Within 60 calendar days of discovery
SF 361, if not resolved...	NLT 30 calendar days after discovery, cancel message; take claims action	NLT 60 calendar days after discovery

The TDR package, SF 361, must contain documented facts and evidence. The finance center/claims office is responsible to review the TDR package to determine the dollar amount of the claim and/or whether to process a claim against the carrier. A TDR package does not become a "claim" until the finance/claims office processes the TDR package against the carrier.

#### WHO GETS THE TDR CLAIMS PACKAGE?

- Final consignee: Unaccompanied baggage [**"Mark for: member filing the claim"**]
- Deployment Support Command (DSC) (**if other than the fault of the carrier**)
- The appropriate Finance Center or Claims Office (**CONUS claims only**)
- The overseas carrier (**OCONUS shipments**)
- MTMC, MTOP-JFD, 5611 Columbia Pike, Falls Church, VA 22041 (**OCONUS shipments**)
- Consignor (origin), without attachments
- Consignee (destination), complete package

#### INSTRUCTIONS FOR COMPLETING THE SF 361

TRANSPORTATION DISCREPANCY DOCUMENT TYPE	COMPLETE THESE BLOCKS
Advisory or RFI Message	1-2, 4-8, 10, 12, 16-17, 20-24, 28, 30-31
Initial Notification TDR	1, 4 – 31
Loss or Damage TDR	1-33
Astray Freight TDR	1-31
Miscellaneous Discrepancy TDR	1-28, 30-31
TDR Claim for Action	1-46

**Claims Offices:** The finance center/claims offices do not furnish disposition or repair instructions or funds. DLA components will not deal directly with the carrier or carrier's insurance company to resolve loss or damage claims; carrier negotiations are handled by finance center/claims office.

#### **SUPPORTING DOCUMENTATION WITH THE SF 361 (OR FOR CLAIMS PURPOSES)**

<b>Shortage or Damage Discrepancies</b>	<b>Shortage Discrepancies, only</b>	<b>Damage Discrepancies, only</b>
<ul style="list-style-type: none"> <li>- Copy of GBL or CBL, as applicable</li> <li>- Copy of carrier's delivery document, PRO or freight bill, ocean cargo manifest, expected receipt listing</li> <li>- Any of the following forms:               <ul style="list-style-type: none"> <li>- DD form 1348-1/1348-1A</li> <li>- DD Form 250</li> <li>- DD Form 1149</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- When consolidated, copy of shipping document for each missing item</li> <li>- If partial shipment, debit document showing how many items were received</li> <li>- If shipped in need of repair, copy of reparable value statement</li> <li>- Copy of supply records inventory</li> <li>- If TL, copy of the tally-in/tally out record</li> <li>- Signed affidavit by person discovering the shortage, including the time, place and how it was discovered.</li> <li>- Contractor's paid invoice</li> <li>- For small package shipments, copy of pick-up record, copy of tracer action, and loss &amp; damage investigation form with loss and damage investigation annotated no.</li> <li>- Copy of CBL and paid SF Form 1034</li> </ul>	<ul style="list-style-type: none"> <li>- Photos of damaged property</li> <li>- Record prior to off-loading</li> <li>- Carrier, B/L &amp; date received</li> <li>- For express small package shipments, a copy of pick-up record, tracking number, loss &amp; damage investigation form – signed copy of the carrier's inspection report/documentated evidence of a carrier inspection waiver</li> <li>- Statement from shipper describing conditions under which loading, blocking and bracing took place.</li> <li>- Original and 1 copy of itemized actual repair cost statement</li> <li>- Copies of GBLs, CBLs, or freight bills for transportation costs to and from repair facility if paid by the Government</li> <li>- Carrier's signed receipt for property released to carrier for salvage:               <ul style="list-style-type: none"> <li>- Must show value of item</li> <li>- Do not release classified or protected items, or material moving under released rates, to salvage</li> <li>- Signed affidavit by the person discovering damage, if concealed damage or if there is no annotation on carrier's receipt, the consignee receiver must give detailed explanation of time, place and name of person discovering damage.</li> </ul> </li> </ul>

**Cargo Out-Turn Reporting System (CORS) OCONUS Shipment Procedures:** HQ MTMC, Attn: MTOP-JFD will review the TDR package to ensure all of the necessary information is included. Depending on its findings, HQ MTMC (MTOP-JFD) will file a formal claim against the carrier to recover the value of the discrepant materiel and related transportation costs. If the claim is successful and the payment is received from the carrier, the recovered funds will be applied to the appropriate fund cite(s); the consignee will be notified of the results.

Transshipment/Container Control Point (CCP) Activity responsibility: The CCP will:

- prepare and submit the TDRs to the consignee
- complete the initial notification to reporting activity, transshipment point, consignor, shipper, consignee, and to the final destination.
- distribute the initial notifications to reporting activity, transshipment point, consignor, shipper, consignee, final destination and HQ MTMC.
- NOT ship damaged materiel forward

Activities other than consignee will:

- prepare an initial notification TDR: check the "initial notification" block, and filling in block 1 and blocks 4 through 31 with all available information. In block 30, indicate the supposed party responsible for the discrepancy.
- distribute the completed SF 361, mail original with supporting documentation within seven calendar days after discrepancy is found. Keep one copy for records.
- mail a copy to carrier, this copy will not indicate responsibility in block 30 or attachments.
- complete an RFI if the discrepancy is on a TCMD or in on non-receipt of an advance TCMD.
- send a copy to the OCONUS destination, if the reporting activity is OCONUS.

## 6. Billing Adjustments:

**a. Obtaining a Billing Adjustment/Credit for a TDR:** In accordance with the *DLSC Customer Assistance Handbook*, 13<sup>th</sup> edition, 1998, page III-38 and reference 1.a., pg. 210-27, a copy of the SF 361 is sent to the applicable Defense Supply Center to get credit for a TDR.

The completed TDR must be provided to the Defense Supply Center to receive credit, repair and disposition instructions. Customers must request credit within 9 months of receipt or expected receipt of the materiel. If using a DD 1348-1, the Routing Identifier Code, which identifies the Defense Supply Center where the materiel originated, is found at positions 67-69.

The request for credit or replacement should be made in the "REMARKS" section, Block 30 of the SF 361. Credit will be deposited in the account of the requisition originator.

Addresses for the Defense Supply Centers follow:

**Defense Energy Support Center 9F(9X))**  
8725 John Kingman Road, Room 4950  
Ft. Belvoir, VA 22060-6220

**Defense Supply Center Richmond**  
(S9G/S9R/HMB (9G))  
8000 Jefferson Davis Highway  
Building 32-I Bay  
Richmond, VA 23297-5096

**Defense Industrial Supply Center**  
(S91(91))  
700 Robbins Avenue  
Philadelphia, PA 19111

**Defense Supply Center Philadelphia**

(subsistence: S9P-S9S (9MP, 9MF))  
 (medical: S9M (9L))  
 2800 South 20<sup>th</sup> Street  
 Philadelphia, PA 19145-5099  
 (215) 737-5781, DSN: 444-5781

**Defense Supply Center Columbus**

(S9C/S9E (9C/9E))  
 Customer Advocacy Group  
 Building 20, 3rd Floor, South B  
 P.O. Box 3990, Attn: DSCC-NCBB  
 Columbus, OH 43216-5000  
 (614) 692-2089, DSN: 850-xxxx

b. Obtaining a Billing Adjustment/Credit for purchase paid for via **the I.M.P.A.C. card:**

I.M.P.A.C. cardholders must contact the materiel vendor to attempt resolution. If the adjustments requested have not been made on the next month's bill, a "dispute form" should be completed and mailed to the bank. The dispute form, "Cardholder Statement of Questioned Item", Form CSQICPPPUR may be obtained by calling the bank at 1-888-994-6722.

Discrepancies on purchases paid under the I.M.P.A.C. purchase card must be resolved in accordance with procedures identified at DLAI 4105.3, DLA Government-wide Commercial Purchase Card Program dated 16 Jun 99, or reissues thereto (reference 1.c.). The DLAI 4105.3 point of contact is Mr. Frank Pane (DLSC-P), at (703) 767-1461, DSN 427-1461.

If unresolved disputes occur, the cardholder shall complete and forward the dispute form to the I.M.P.A.C. disputes office on items which were not yet received, or which note a potential unresolved dispute, duplicate processing or inadequate service. The dispute office point of contact will forward the form to the I.M.P.A.C. bank within 5 working days of receipt, which will credit the transaction until the dispute is resolved. The cardholder must attach a copy of the form to the cardholder statement of account when forwarding to the Billing Official.

If an item is found to be defective upon receipt, request that the vendor replace or correct the item as soon as possible. If the merchant refuses to replace or correct the faulty item, the charge will be considered in dispute. Defective items in dispute are handled in the same manner as are the billing errors.

**7. Automated TDR availability:** An automated TDR is available to DLA in two formats; at the MTMC website, <http://eta.mtmc.army.mil>, on ETA/CFM, and in the Distribution Standard System (DSS), for the DLA depots.

a. The DSS TDRs must be sent via facsimile to the Deployment Support Command (DSC), Bayonne, NJ, at (201) 823-7946 or DSN: 247-7946.

b. The TDRs generated by ETA/CFM on the web are sent via EDI to the Deployment Support Center, Ft. Eustis, VA, and to others with ETA/CFM access, until further notice.

**8. Repairs and Salvage:** Repair settlement costs must be reasonable and necessary to restore the government to the same position as if the injury had not occurred. the government cannot recover costs that made the property more valuable. The customer or depot may request the carrier if he will replace the item at no cost to the government or determine that the carrier will repair the items.

**NEVER REFUSE A SHIPMENT.** The consignee must either repair the damaged items, or if the property cannot be repaired, get a statement to that effect from a technically qualified person familiar with the repairs required. If the property can be repaired, the consignee must contact the item manager for disposition instructions and to make arrangements for repair. If the material is salvaged, include the disposal cost in the TDR.

The customer should receive credit for the repair cost; if the customer is unable to repair the material locally, have the materiel shipped to a service repair facility and return materiel to stock; the customer will receive full credit. Provide the cost of repair, parts and overhead as a separate item, and an appropriation for whoever does the repair.

Carriers are entitled to receive an itemized statement of the actual repair costs which identifies the cost of parts, labor, and overhead on the itemized bill. Cost of repairs: transportation cost to and from repair activity when the property cannot be repaired on the activity, the measure of damages is the market value or federal supply catalogue quotation for the property before the damage is the market value, except for property shipped under released rates. Only technically qualified personnel who are familiar with labor costs, parts and overhead for the type repair involved should prepare the repair cost estimates.

If the carrier elects to repair agreement to repair the damaged property. Additionally, get a receipt for the property turned over to the carrier. The repair agreement must specify that the carrier will:

- meet military repair specifications
- repair the property promptly
- return the material to the releaser unless another activity is directed to receive it

Neither classified, protected, release-rated, dangerous nor explosive materiel should be released to the carrier for repair/salvage. If the carrier damages the materiel, the disposal costs must be charged to the carrier.

**9. Concealed damage:** The consignee must report concealed damage within 15 days of receipt. Failure to comply with the 15-day rule does not preclude recovery for concealed damage discovered more than 15 days from receipt of the shipment. Concealed damage occurs when a shipping container does not reflect damage on the outside, but the materiel on the inside is damaged. Shipper and receiver must be aware of the liability to provide sufficient evidence to justify a claim against the carrier. A carrier acceptance receipt does not relieve the shipper from liability; similarly, the receiver having a clear receipt does not relieve the carrier from liability.

The claimant must show the following under federal law:

- that the damaged materiel was turned over to the origin carrier in good condition
- the materiel arrived at destination in damaged condition
- the amount of damages

The carrier must then show that both of the following conditions exist in order to avoid liability: the damage to the cargo was due to any of the following "excepted" clauses, i.e., act of God, act of the public enemy; act of the shipper himself; and that it is free of negligence.

The claimant must prove that the property was delivered to the carrier at origin in good condition or at least in a better condition than when it was received at destination.

The consignee must report concealed damage to the commercial carrier within 15 days from the date of receipt. Failure to comply with the 15-day rule does not preclude recovery from concealed damage that was discovered more than 15 days from receipt.

When **concealed damage** is discovered, take the following steps:

- stop unpacking
- hold all containers and packing material for inspection by carrier
- immediately notify the carrier by telephone
- request inspection (make notes)
- if carrier waives the inspection, get the name, title, and telephone number of the carrier
- personnel providing the waiver
- perform own inspection if the carrier waives the inspection
- confirm notification in writing to carrier
- get a statement from the discoverer of the damage
- get a statement describes the circumstances (when, where, who, etc...)

Get additional statement(s) if the property was moved (how far, by whom, what method of movement) – did an incident occur after receipt which might have caused the damage?

For an incident of concealed damage, the claimant must:

- prove the property was delivered to the carrier at origin in good condition or at least in better condition than it was when received at destination
- furnish credible proof that the damage occurred while the property was in the carrier's possession
- establish that neither the shipper nor the consignee could have been responsible for the damage
- Get a statement from the shipper showing the adequacy of packing; frequency of damage on previous shipments; statement from the person performing the packaging. Statements must be made when the concealed damage is discovered.

A carrier will not honor statements made weeks or months later. Concealed damage claims must be documented with firm evidence to prove the damage occurred while in the possession of the carrier. A clear delivery receipt is a receipt executed by the consignee acknowledging receipt of a certain quantity of goods in good condition later found to be short or damaged. The carrier will contend that the consignee caused the shortage or damage.

**10. Status of the package:** After forwarding the TDR package to the finance center/claims center, follow up every 6 months for a status. Do not closeout a TDR until the finance center/claims office has collected the funds, or until the discrepancy is resolved. Once the TDR has been closed, maintain the file IAW the Records Management policy.

**11. Photographs:** All activities are required to retain and use a camera to capture evidence of damaged shipment(s) on film. The camera should be maintained in an accessible area.

**12. Submitting/Changing/Canceling the TDR package:** If the TDR package will not be completed by the timeframes listed in the DTR, submit the incomplete TDR package to the appropriate finance center/claims office with whatever you have and indicate that additional information will be forwarded at a later date. Follow through to obtain that additional information to complete the TDR package.

Changes to a TDR	Cancellation of a TDR
<ul style="list-style-type: none"> <li>- Use the original (file) copy of the SF 361</li> <li>- Stamp or write "REVISED" on top and bottom of the top (front) form</li> <li>- Line through old information</li> <li>- Type or write new information on form</li> <li>- Enter reason for change in block 30</li> <li>- Sign and date change notation</li> <li>- Send copies to all original addressees</li> <li>- Send copy to the finance center/claims office</li> </ul>	<ul style="list-style-type: none"> <li>- Use the original (file) copy of SF 361</li> <li>- Stamp or write "CANCELLED" on top and bottom of the top (front) form</li> <li>- Enter reason for change in block 30 or 43</li> <li>- Sign and date change notation</li> <li>- Send copies to all original addressees</li> <li>- Send copy to the finance center/claims office, or in the case of an OCONUS shipment, to HQ MTMC, ATTN: MTOP-JFD</li> </ul>

**13. Training:** Employees are encouraged to attend training provided by the Defense Finance and Accounting Office, the Military Traffic Management Command and by the transportation schools. After attending the training, the TDR information should be shared with co-workers.

**14. Additional information (Dos and don'ts):**

- Do not highlight information on the TDR.
- Do not use vague exceptions, e.g., (*"Subject to Inspection"*, *"Damage"*, *"Wet"*, *"Cab Damage"*, etc.; instead, use clear, specific and accurate exceptions, e.g., *"1 carton damaged"*, *"contents checked"*, *"10 lamps-2 broken"*, *"windshield missing"*, *"door hinge bent"*, *"...hanging loose"*, etc.
- A Supply Discrepancy Report (SDR) formerly known as a Report of Discrepancy (ROD), is used neither to report transportation discrepancies, nor obtain credit not to obtain disposition or repair instructions.
- Receiving inspectors will not make a decision on whether or not an item will be repaired or reported as a TDR without an investigation.
- Customers who request requisition/shipping information must call the Center's Customer Service Office to receive information. If the Center's Customer Service Office is unable to provide information, the customer should follow the MILSTRIP procedures for follow-up on requisition procedures. Once the customer has information on the materiel shipped, the TDR should be forwarded to the depot responsible for making the shipment.
- TDRs are prepared when carriers do not provide a service requested on the bill of lading and not performed; the SF 1200 must be completed; cross-reference both forms.

**15. Responsibility:** This policy is effective immediately. Local implementation of this policy is authorized.

**16. Point of Contact:** Our point of contact is Mrs. Betty Yanowsky Slanta, DLSC-LDT, at (703) 767-3638 or DSN 427-3638, or via e-mail to [betty\\_yanowsky@hq.dla.mil](mailto:betty_yanowsky@hq.dla.mil).

*SIGNED*

SCOTT K. CLAYPOOL  
Lieutenant Colonel, USAF  
Chief, Transportation (Policy)

cc:  
Defense Supply Centers  
Defense Contract Management Districts  
Defense Distribution Center  
HQ Military Traffic Management Command, Attn: MTOP-JFD